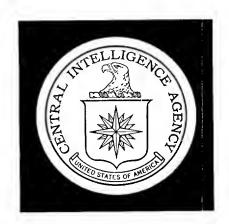
 Top	Sec	cret		



DIRECTORATE OF INTELLIGENCE

## Central Intelligence Bulletin

State Dept. review completed

25X1

**Top Secret** 

c 196

2 October 1971



Approved For	Release 2006/11/05 : CIA-RDP79T00975A020100100002-4
	2 October 1971

## Central Intelligence Bulletin

CONTENTS

JAPAN: Sato.	leaders	increasingly	critical	of

25X1

25X1

25X1

JAPAN: Influential business leaders have become increasingly critical of Sato's handling of economic and political problems.

In a conversation with US Embassy officials, four top businessmen indicated it was necessary to improve relations with the US and to remedy the sluggish state of the Japanese economy, even if this required Sato's early resignation and concessions on the part of Japan. Financial and industrial interests have recently begun pressing the prime minister to effect an early revaluation of the yen at a fixed parity rate to ameliorate their current difficulties in concluding export contracts.

A resolution presented to Sato by the Japan Committee for Economic Development last month called for Japanese concessions to the US and government pressure to have the US surcharge abolished. In addition, it recommended a restructuring of Japanese domestic investment, a change of emphasis from economic expansion to the improvement of the quality of life, and increased aid to developing nations. The resolution also called for "strong leadership" to implement economic policy, including the formation of a special group, similar to the US Council of Economic Advisors, to assist the prime minister.

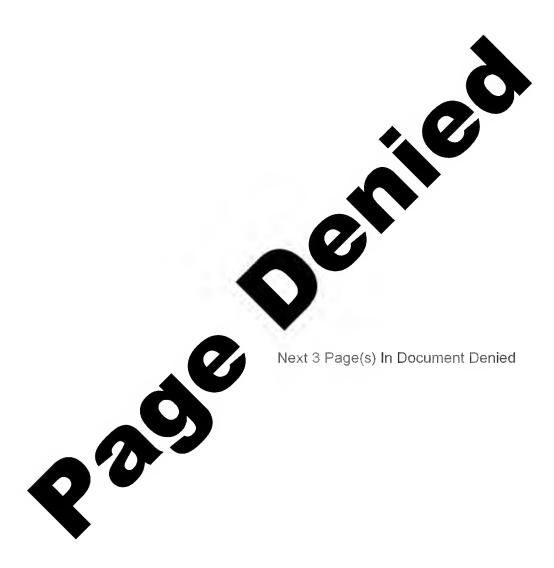
The erosion of Sato's support in the industrial community further increases the chances that he may be forced to retire within the next several months.

25X1 25X1

2 Oct 71

Central Intelligence Bulletin

1



<b>25</b> %√1	Top Secret		

## **Top Secret**